

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE **NOV 17 2009**

LEASE No. **GS-11B-02108**

THIS LEASE, made and entered into this date between **381 Elden Street, LLC**  
whose address is **381 Elden Street, Suite 1323**  
**Herndon, VA 20170**

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 47,181 BOMA Rentable Square Feet (BRSF) (yielding approximately 41,431 BOMA Office Area Square Feet (BOASF)) located on the 4th floor in the building known as Parkway Atrium, 381 Elden Street, Herndon, VA 20170 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A – Floor plan of leased premises). Included in the 47,181 BRSF which are the subject of this lease are 7,043 BRSF which are currently under lease to the Government under Lease No. GS 11B 80407. The Lessor and the Government will sign an SLA to Lease No. GS 11B 80407 to remove said 7,043 BRSF from such lease effective as of the beginning date of this Lease.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers SFO # 09-013 ("SFO"), continuing for ten (10) years firm from the date of lease execution with an additional five (5) year option to renew.

3. The Government shall pay the Lessor annual rent of \$1,205,946.36 (\$25.56/BRSF) at the rate of \$100,495.53 per month in arrears for the ten (10) year firm term. Rent for a lesser period shall be prorated. The operating expense base for years 6-10 will be renegotiated and established based on the Government's proportionate share of the actual operating expenses incurred by the Lessor in year five (5) of this lease and memorialized in a Supplemental Lease Agreement containing a new GSA Form 1217 (Lessor's Annual Cost Statement).

Rent checks shall be made payable to: **381 Elden Street, LLC, c/o Lincoln Property Company, 381 Elden Street, Suite 1323, Herndon, VA 20170** or in accordance with the provision on electronic payment of funds.

4. This lease may be renewed at the option of the Government, for the following terms and at the following rental rates provided notice will be given in writing to the Lessor at least one-hundred twenty (120) days before the end of the original lease term. All other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing. If the government exercises this option, GSA may terminate this lease in whole or in part at any time after the ten (10<sup>th</sup>) lease year on one-hundred eighty (180) days written notice to the Lessor.

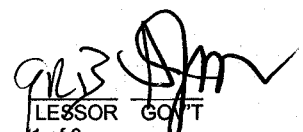
If the Government exercises the option, the annual shell rate, including real estate taxes, for years 11 – 15 is \$786,979.08 (\$16.68/BRSF) at the rate of \$65,581.59 per month in arrears. Operating expenses for years 11 – 15 shall be renegotiated and established via a Supplemental Lease Agreement containing a new GSA Form 1217 (Lessors Annual Cost Statement).

For the original term of the lease, the first six months of shell rent (\$14.74/BRSF) shall be abated. (Total Value: \$347,724.00)  
If the option is exercised, the first three months of shell rent of the renewal term shall be abated. (Total Value: \$196,744.77)

5. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included in the rent. This lease is intended to be a full service lease. Nothing herein shall be construed as requiring the Lessor to maintain or repair any equipment, machinery or system owned by the Government.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$1,718,972.19 (\$41.49/BOASF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur.

  
LESSOR GOVT

The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, with the \$41.49/BOASF being amortized at a rate of 0% over the ten (10) year Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate.

C. The total cost of Lessor's overhead including general conditions; architectural/engineering fees, mark ups for the Lessor's general contractor, and other profit and/or fees against the evaluated tenant improvement amount of up to (b) (4) shall not exceed (b) (4) (including general and subcontractor work) and applies only to construction jobs completed in the first twelve months of the lease term.

D. Pursuant to SFO Paragraph 2.6 "Broker Commission and Commission Credit", Jones Lang LaSalle is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Jones Lang LaSalle have agreed to a cooperating lease commission of (b) (4) of the aggregate lease value, for the ten (10) year firm term minus abatement of six months' shell rent. The total amount of the commission (b) (4) ("Total Commission Amount"). Jones Lang LaSalle has agreed to forego (b) (4) of the total commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is (b) (4) and shall be applied in equal monthly amounts of (b) (4) against the shell rental payments in the seventh (7<sup>th</sup>) and eighth (8<sup>th</sup>) months of the Lease term. The Total Commission Amount minus the Commission Credit is (b) (4) to Jones Lang LaSalle ("Remaining Broker's Commission").

In the event that the rental rate is adjusted due to an increase or decrease to the tenant build out amount, square footage, or other item resulting in a change to the gross rental amount, the Total Commission Amount, Commission Credit and Remaining Broker's Commission shall be recalculated based on the revised base rental rate. The Remaining Broker's Commission is payable to:

Jones Lang LaSalle Americas, Inc.  
Public Institutions

(b) (6)

Rent Schedule for the first six full months after Lease execution is as follows:

First (1<sup>st</sup>) Month's Rental Payment of (b) (4) minus first month shell rent abatement credit of (b) (4) equals (b) (4) adjusted First Month's Rent.

Second (2<sup>nd</sup>) Month's Rental Payment of (b) (4) minus second month shell rent abatement credit of (b) (4) equals (b) (4) adjusted Second Month's Rent.

Third (3<sup>rd</sup>) Month's Rental Payment of (b) (4) minus third month shell rent abatement credit of (b) (4) equals (b) (4) adjusted Third Month's Rent.

Fourth (4<sup>th</sup>) Month's Rental Payment of (b) (4) minus fourth month shell rent abatement credit of (b) (4) equals (b) (4) adjusted Fourth Month's Rent.

Fifth (5<sup>th</sup>) Month's Rental Payment of (b) (4) minus fifth month shell rent abatement credit of (b) (4) equals (b) (4) adjusted Fifth Month's Rent.

Sixth (6<sup>th</sup>) Month's Rental Payment of (b) (4) minus sixth month shell rent abatement credit of (b) (4) equals (b) (4) adjusted Six Month's Rent.

Rent Schedule for the seventh and eighth full months after Lease execution is as follows:

Seventh (7<sup>th</sup>) Month's Rental Payment of (b) (4) minus first month commission credit of (b) (4) equals (b) (4) adjusted Seventh Month's Rent.

Eighth (8<sup>th</sup>) Month's Rental Payment of (b) (4) minus second month commission credit of (b) (4) equals (b) (4) adjusted Eighth Month's Rent.

E. The annual real estate tax base will be established in accordance with Section 4.2 of the attached SFO. The Government's percentage of occupancy is established as 25.66% (based on occupancy of 47,181 BRSF in a building of 183,885 BRSF), subject to verification of the usable square footage of the Premises. Evidence of payment of taxes shall be furnished as required in Paragraph 4.2 (C) of the SFO.

F. The operating cost base is established at (b) (4). Beginning with the second lease year and each year thereafter through year five (5), the annual rent shall be adjusted by applying the change in the C.P.I. to the operating cost base as detailed in SFO Paragraph 4.3. Operating expenses at the conclusion of year five (5) are to be renegotiated via a Supplemental Lease Agreement containing a new GSA Form 1217 (Lessors Annual Cost Statement). A new operating expense base shall be established for year six (6) at the conclusion of year five (5). The operating expense base for years six thru ten (6-10) will be established based on

the Government's proportionate share of the actual operating expenses incurred by Lessor in year five (5) of this Lease. The base rent shall be adjusted in year six (6) by the difference between the operating expenses (as adjusted by the CPI) for year five (5) and the new, year six (6) operating expense base. Commencing with year seven and for each year thereafter through year ten, the annual rent shall be adjusted by applying the change in C.P.I. to the new operating cost base established for year six.

G. Within 90 days after lease execution, the Lessor shall correct all deficiencies identified in the Fire Protection & Life Safety Rider Number One attached hereto.

H. Pursuant to SFO Paragraph 4.6 "Overtime Usage", beyond the aforementioned hours, the overtime HVAC service rate shall be \$30.00 per hour per zone (maximum of five zones). These charges are inclusive of all labor, maintenance, and service fees. Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

I. Pursuant to SFO Paragraph 4.4 "Adjustment for Vacant Premises", in the event that the Government vacates any portion of the leased premises the rent will be decreased by \$2.10 per BOASF.

J. It is mutually agreed that the Lessor is providing four (4) reserved parking spaces for Government use which is included in the full service rent.

K. Lessor's obligation to repaint and re-carpet every five years does not require Lessor to repaint or re-carpet in the 10<sup>th</sup> year of Lease. Any repainting and re-carpeting in connection with the Government's exercise of the renewal option shall be a tenant improvement to be paid by the Government. There is no tenant improvement allowance offered by Lessor in connection with the five year option.

L. Any cost associated with the installation of antennas or any other devices on the roof of the Building by the Government, including costs of creating structures to hold the antennas or other devices, the cost of maintaining or securing the antennas or devices, the cost of creating access to such antennas or devices and the costs of repairing any damage done to the roof of the Building as a result of the installation or maintenance of such antennas or devices shall be borne solely by the Government.

M. In the event of a conflict between this SF2 and other documents that are part of the Lease, the SF2 shall govern.

N. It is understood and agreed that any transportation tax is not to be adjusted between the parties as part of the real estate tax escalations whether it is included in the real estate tax bill or not.

6. The following are attached and made a part hereof:

- A. Exhibit A - Floor Plan of the Leased Area, 1 page
- B. Solicitation For Offers No. 09-013, 55 pages with Program of Requirements, 66 pages
- C. Rate Structure Worksheet, 1 page
- D. Fire Life Safety Rider Number One, 1 page
- E. Pre-Lease Building Security Plan, 6 pages
- F. GSA Form 1217 - Lessor's Annual Cost Statement, 2 pages
- G. GSA Form 3517 - General Clauses, 33 pages
- H. GSA Form 3518 - Representations and Certifications, 8 pages

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: 381 Elden Street, LLC

(b) (6)

By:

Glenn R. Bonard, Attorney-in-Fact

IN PRESENCE

(b) (6)

ADDRESS

1025 Connecticut Ave N.W., Suite 400  
Washington, D.C. 20036

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